

Message Text

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12

ACTION EB-11

INFO OCT-01 ARA-11 ADP-00 JUSE-00 L-03 COME-00 FTC-01

TRSE-00 CIAE-00 INR-10 NSAE-00 RSC-01 OPIC-12 CIEP-02

RSR-01 /053 W

----- 016497

R 232125 Z MAY 73

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 2193

LIMITED OFFICIAL USE BUENOS AIRES 3677

E. O. 11652: N/ A

TAGS: ETRD

SUBJECT: ANTITRUST CASE US VS IBM

REF: A. STATE 69913, B. STATE A 4170 , C. BA 3422

BEGIN UNCLASSIFIED

1. FOLLOWING DOLLAR IMPORT FIGURES SUPPLEMENT PERCENTAGES
PROVIDED IN PARAGRAPH 3 OF REF C: 1968, 4,208,816; 1969,
7,346,414; 1970, 7,929,088; 1971, 18,559,659; 1972 (8 MONTHS)
12,718,797, OF WHICH U. S. SHARE 3,310,100. EXPORTS: 1968,
5, 152,399; 1969, 4,864,884; 1970, 4,509,901; 1971, 5,616,757. END
UNCLASSIFIED

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2. THE BREAKUP OF IBM INTO ONE OR MORE SUCCESSOR COMPANIES
COULD AFFECT THE MARKET POSITION HERE OF THE SUCCESSOR OR
SUCCESSORS BECAUSE OF PROBABLE DIMINUTION OF EXISTING
WORLDWIDE MARKETING EXPERTISE AND FINANCIAL RESOURCES, AS
WELL AS READY MADE MARKETS FOR IBM PRODUCTS MADE IN
ARGENTINA. SERIOUSNESS OF EFFECTS WOULD BE REALATED TO THE
NUMBER OF SUCCESSOR COMPANIES. IF INTERNATIONAL OPERATIONS
SEPARATED FROM U. S . OPERATIONS, FINANCIAL AND TECHNICAL
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BACK- UP LOSS WOULD BE SERIOUS. THE SMALL LOCAL MANUFACTURING FACILITY WOULD UNDOUBTEDLY SUFFER WITHOUT THE WORLDWIDE BACKING FOR ITS EXPORT PRODUCTION, AND WOULD PROBABLY CLOSE. BECAUSE OF THE GOA EXPORT DRIVE, SUCH A CLOSURE WOULD ADVERSELY AFFECT IBM IMPORTS FROM U. S., SINCE IT WOULD NO LONGER BE EXPORTING. U. S. COMPETITORS WOULD RECEIVE MOST OF THE BENEFITS IN ARGENTINA, WHILE THIRD COUNTRY COMPANIES WOULD GAIN SOMEWHAT LESS. HOWEVER, OTHER U. S. COMPANIES SOURCE SUBSTANTIAL PORTIONS OF PRODUCTION OUTSIDE U. S. THEREFORE, NET LONG TERM EFFECT ON U. S. B OF P COULD BE DETRIMENTAL IF IBM BROKEN UP, AND MARKET POWER REDUCED. END LIMITED OFFICIAL USE DECON GDS
LODGE

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NMAFVVZCZ

*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 23 MAY 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973BUENOS03677
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: BUENOS AIRES
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730553/aaaajshc.tel
Line Count: 76
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A.STATE 69913, B.STATE A 4170, C.BA 3422
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 06 FEB 2002
Review Event:
Review Exemptions: n/a
Review History: WITHDRAWN <05-Nov-2001 by davisw, PRIVACY>; RELEASED <06-Feb-2002 by golinofr>; APPROVED <07 FEB 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> gwr 980304
Subject: ANTITRUST CASE US VS IBM
TAGS: ETRD, AR
To: EB
SECSTATE WASHDC
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005